

Sanitized Copy Approved for Release 2011/04/05 : CIA-RDP88G01116R000700810009-7

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DDI- 0537586

Original letters were sent to the following:

The Honorable George P. Shultz
The Secretary of State

The Honorable Casper W. Weinberger
The Secretary of Defense

The Honorable John S. Herrington
The Secretary of Energy

The Honorable Malcolm Baldrige
The Secretary of Commerce

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Central Intelligence Agency



Washington, D.C. 20505

The Honorable George P. Shultz
The Secretary of State
Washington, D.C. 20520

Dear George:

We have recently completed a study on Arctic petroleum development that looks at Moscow's need for Western equipment to develop extensive Arctic oil potential.

Put simply, the Soviets will need Western help and equipment to exploit any major offshore oil finds in this century. In fact, this may be critical for the Soviets if they are to avoid a serious oil export decline in the next decade. The availability of this technology from a number of Western countries, including Japan, could make it relatively easy for the Soviets to get the help they need. This puts a premium on devising a Western strategy for dealing with the USSR on this issue. Although agreement on such a strategy would be very difficult to obtain, without it the Soviets will be able to play one supplier against another. One aspect of this strategy may be to encourage maximum exploration and development of Western-controlled Arctic areas, giving equipment suppliers and technicians a more acceptable market for their expertise.

Yours,

/s/ Bill

William J. Casey
Director of Central Intelligence

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Central Intelligence Agency



Washington, D.C. 20505

4 December 1986

The Honorable Malcolm Baldrige
The Secretary of Commerce
Washington, D.C. 20230

Dear Mac:

We have recently completed a study on Arctic petroleum development that looks at Moscow's need for Western equipment to develop extensive Arctic oil potential.

Put simply, the Soviets will need Western help and equipment to exploit any major offshore oil finds in this century. In fact, this may be critical for the Soviets if they are to avoid a serious oil export decline in the next decade. The availability of this technology from a number of Western countries, including Japan, could make it relatively easy for the Soviets to get the help they need. This puts a premium on devising a Western strategy for dealing with the USSR on this issue. Although agreement on such a strategy would be very difficult to obtain, without it the Soviets will be able to play one supplier against another. One aspect of this strategy may be to encourage maximum exploration and development of Western-controlled Arctic areas, giving equipment suppliers and technicians a more acceptable market for their expertise.

Yours,

A handwritten signature in cursive script, appearing to read "Bill", written in dark ink.

William J. Casey
Director of Central Intelligence

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Central Intelligence Agency



Washington, D.C. 20505

4 December 1986

The Honorable John S. Herrington
The Secretary of Energy
Washington, D.C. 20585

Dear John:

We have recently completed a study on Arctic petroleum development that looks at Moscow's need for Western equipment to develop extensive Arctic oil potential.

Put simply, the Soviets will need Western help and equipment to exploit any major offshore oil finds in this century. In fact, this may be critical for the Soviets if they are to avoid a serious oil export decline in the next decade. The availability of this technology from a number of Western countries, including Japan, could make it relatively easy for the Soviets to get the help they need. This puts a premium on devising a Western strategy for dealing with the USSR on this issue. Although agreement on such a strategy would be very difficult to obtain, without it the Soviets will be able to play one supplier against another. One aspect of this strategy may be to encourage maximum exploration and development of Western-controlled Arctic areas, giving equipment suppliers and technicians a more acceptable market for their expertise.

Yours,

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William J. Casey
Director of Central Intelligence

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EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X 3		
2	DDCI		X 4		
3	EXDIR				
4	D/ICS				
5	DDI	X 1			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	ES		X 5		
18	ER		X 2		
19					
20					
21					
22					

SUSPENSE ~~21 Oct 86~~

Remarks Please provide DCI with a draft letter as requested.

A/ Executive Secretary
21 Oct 86

Date

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Central Intelligence Agency



Washington, D.C. 20505

4 December 1986

The Honorable Caspar W. Weinberger
The Secretary of Defense
Washington, D.C. 20301

Dear Cap:

We have recently completed a study on Arctic petroleum development that looks at Moscow's need for Western equipment to develop extensive Arctic oil potential.

Put simply, the Soviets will need Western help and equipment to exploit any major offshore oil finds in this century. In fact, this may be critical for the Soviets if they are to avoid a serious oil export decline in the next decade. The availability of this technology from a number of Western countries, including Japan, could make it relatively easy for the Soviets to get the help they need. This puts a premium on devising a Western strategy for dealing with the USSR on this issue. Although agreement on such a strategy would be very difficult to obtain, without it the Soviets will be able to play one supplier against another. One aspect of this strategy may be to encourage maximum exploration and development of Western-controlled Arctic areas, giving equipment suppliers and technicians a more acceptable market for their expertise.

Yours,

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William J. Casey
Director of Central Intelligence

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